

- IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
GALVESTON DIVISION

the Republic of Iraq. Article 111 of the Constitution states, “[o]il and gas are owned by all the people of Iraq in all the regions and governorates.” (Article 111, Ex. 1). Accordingly, the crude oil aboard the United Kalavrvta belongs to the people of Iraq in all the regions and governorates.

4. Furthermore, in accordance with Iraqi law, the Federal Government alone has the right to export, market and sell the oil of Iraq on behalf of the people of Iraq. Under the Constitution, the Federal Government has the exclusive power to regulate foreign trade, which includes the export of crude oil (see Article 110(1) and (3) of the Constitution, Ex. 1).

5. Under Federal Law 101 of 1976 on the Organization of the Ministry of Oil (“Law 101,” attached as Ex. 2), the Ministry of Oil has the exclusive authority to export, manage and market the oil resources of the Republic of Iraq. Under Article 130 of the Constitution, Law 101 remains in effect as of the date hereof (see Article 130 of the Constitution, Ex. 1). The Ministry of Oil has delegated authority to export crude oil from Iraq to the Oil Marketing Company (Public Company) (known as the State Oil Marketing Organization or “SOMO”). The Ministry of Oil has not delegated such authority to any other person or entity.

6. Article 5(1) of Law 101 states, “[t]he Ministry of Oil is in charge of the management of the oil sector. For the purposes of this law, the said sector includes operations of exploration, drilling and extraction of oil and gas, the operations of refining and gas industries in addition to the transportation and marketing of crude oil, gas and their products, and the construction of oil projects and the importation of specialized supplies for the sector.” (Art. 5(1), Ex. 2).

7. Thus, the crude oil aboard the United Kalavrvta is owned by the people of the Republic of Iraq, not the KRG, and the KRG did not have the right to load the crude oil for export or to market or sell it without the authorization of the Ministry of Oil. No such

authorization has been granted. Moreover, the KRG violated Iraqi law by exporting this crude oil without the participation of SOMO.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: July 29, 2014  
Baghdad, Iraq

  
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Laith Abdulhussein Khadim Al-Shaher

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